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IN THE

Supreme Court of the United States

LEMELSON MEDICAL, EDUCATION & RESEARCH FOUNDATION, LIMITED PARTNERSHIP
Petitioner,

v.

SYMBOL TECHNOLOGIES, *et al.*,
Respondents.

Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

1. Whether a federal court may adopt a doctrine of "prosecution laches" to shorten the time period expressly allowed by the Patent Act, 35 U.S.C. § 120, for filing patent applications.

2. Whether a federal court of appeals may refuse to follow a controlling rule of law, applied to similarly situated litigants in prior decisions, on the sole ground that the earlier decisions were unpublished.

PARTIES TO THE PROCEEDING

Petitioner Lemelson Medical, Education & Research Foundation, Limited Partnership was the appellee in the court of appeals. The appellants were Symbol Technologies, Inc., Accu-Sort Systems, Inc., Intermec Technologies Corporation, Metrologic Instruments, Inc., PSC Inc., Teklogix Corporation, Zebra Technologies Corporation, and Cognex Corporation.

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PETITION FOR A WRIT OF CERTIORARI

Petitioner Lemelson Medical, Education & Research Foundation, Limited Partnership ("Lemelson") respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit in this case.

OPINIONS BELOW

The opinion of the court of appeals (Pet. App. 1a-19a) is reported at 277 F.3d 1361. The opinion of the United States District Court for the District of Nevada (Pet. App. 20a-31a) is unreported.

JURISDICTION

The judgment of the court of appeals was entered on January 24, 2002. A timely petition for rehearing was denied on March 20, 2002. Pet. App. 32a-33a. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

Section 120 of Title 35 of the United States Code provides, in part, as follows:

> "An application for patent for an invention disclosed in the manner provided by the first paragraph of section 112 of this title in an application previously filed in the United States, or as provided by section 363 of this title, which is filed by an inventor or inventors named in the previously filed application shall have the same effect, as to such invention, as though filed on the date of the prior application, if filed before the patenting or abandonment of or termination of proceedings on the first application or on an application similarly entitled to the benefit of the filing date of the first application and if it contains or is amended to contain a specific reference to the earlier filed application."

Section 121 of Title 35 of the United States Code provides, in part, as follows:

> "If two or more independent and distinct inventions are claimed in one application, the Director may require the application to be restricted to one of the inventions. If the other invention is made the subject of a divisional application which complies with the requirements of section 120 of this title it shall be entitled to the benefit of the filing date of the original application."

STATEMENT

This case involves a claim by respondents that the federal courts should recognize and apply a non-statutory defense of "prosecution laches" to bar enforcement of patents held by petitioner. The district court dismissed the claim, stating that the terms of the federal Patent Act were controlling. The court of appeals reversed. Finding a doctrine of prosecution laches in two cases decided by this Court, *Woodbridge v.*

United States, 263 U.S. 50 (1923); *Webster Electric Co. v. Splitdorf Electrical Co.*, 264 U.S. 463 (1924), it held that the patents could be held unenforceable "even though the applicant complied with pertinent statutes and rules." Pet. App. 4a.

A. *Statutory Framework.* The question in this case is straightforward: when must a patent applicant file a continuation or divisional application in order to get the full benefit of the filing date of an earlier application?[1] Section 120 of the Patent Act is the statutory provision addressed to that question. *See* 35 U.S.C. § 120. As a substantive matter, to assure that the new application is properly grounded in the old, Section 120 requires that the continuation application seek a patent "for an invention disclosed in the manner provided by the first paragraph of section 112 of this title in an application previously filed in the United States" by the same inventor. *Id.*[2] Then, on the issue of timing, Section 120

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[1] "A continuation application is a second application which contains the same disclosure as the original application." 4 *Chisum on Patents* § 13.03[2] at 13-12 (1995). "A division or divisional application is 'a later application for a distinct or independent invention, carved out of a pending application and disclosing and claiming only subject matter disclosed in the earlier or parent application.'" *Id.* § 13.03[4] at 13-17 (1991), quoting U.S. Patent & Trademark Office, *Manual of Patent Examining Procedure* § 201.06 (3d ed. rev. 1974). As these definitions indicate, patent applicants are not required to claim immediately all of the inventions that may be described in an initial patent application. They may add claims later through continuation and divisional applications, and under circumstances discussed in the text, those claims will be treated as if filed on the date of the earlier application. *See In re Bauman*, 683 F.2d 405, 408 (CCPA 1982).

[2] The first paragraph of Section 112 requires, among other things, "a written description of the invention, and the manner and process of making and using it" in such terms that a person skilled in the art can "make and use the same." 35 U.S.C. § 112 ¶ 1. Importantly, Section 120 does not require compliance with paragraph two of § 112, which relates

expressly states that the continuation application must be filed "before the patenting or abandonment of or termination of proceedings on the first application or on an application similarly entitled to the benefit of the filing date of the first application . . . ." *Id.* If those conditions are met, and a proper reference to the predecessor application has been made, *id.*, the statute declares that a continuation application "shall have the same effect, as to such invention, as though filed on the date of the prior application . . . ." *Id.*

Section 121 of the Act governs the filing of divisional applications. *See* 35 U.S.C. § 121. Rather than providing separate standards, Section 121 simply says that, to be treated as part of one continuous application with an earlier filing, a divisional application must "compl[y] with the requirements of section 120 of this title . . . ." *Id.* If it does, Section 121 states that the divisional application "shall be entitled to the benefit of the filing date of the original application." *Id.*

There is one statutory exception to the principle that compliance with Section 120 entitles a patent applicant to the full benefit of the filing date of an earlier application. Section 135(b) specifies that a patent applicant has a period of only one year from the issuance of a patent to another inventor to make a claim "which is the same as, or for the same or substantially the same subject matter as, the claim of [the] issued patent . . . ." 35 U.S.C. § 135(b).[3] As a result, even though an inventor makes the claim in a continuation or divisional application that is otherwise entitled to the filing date of a parent application, the applicant will be denied a

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to the presentation of *claims*. *See* 4 *Chisum on Patents* § 13.04 at 13-21 (1991).

[3] The copying of a claim from an issued patent provokes an interference, which is an administrative proceeding "to determine priority between two parties claiming the same invention." 3 *Chisum on Patents* § 10.09[4][c][i] at 10-389 (2002).

patent unless he presents the claim within a year after issuance of a patent to another inventor.

The Patent Act also contains provisions that address the filing of claims when one part of the time requirement of Section 120—that the claims be made *before* patenting on the predecessor application—has not been met. In that situation, Section 251 of the Act provides that the patent applicant may seek a reissuance of his patent. *See* 35 U.S.C. § 251. This procedure involves cancellation of the original patent and issuance of a new patent that includes the additional claims. The Act expressly states that, to expand the scope of claims, a patentee must apply for reissue within two years. *Id.* Moreover, unlike Section 120, Section 252 provides that a reissued patent is subject to certain preexisting adverse rights. *See* 35 U.S.C. § 252.

B. *This Litigation.* This case arises out of several actions commenced by respondents, seeking declaratory judgments that patents assigned to petitioner are invalid, unenforceable, or not infringed by respondents or users of their products. The patents, issued to inventor Jerome Lemelson, claim pioneering inventions in bar-code scanning and "machine vision." Pet. App. 21a-22a. The patents, which issued between 1978 and 1994, trace their origins through continuation, continuation-in-part, and divisional applications to parent applications filed in 1954 and 1956. Respondents claim, among other things, that even if Mr. Lemelson complied with all relevant statutory provisions and rules, including the filing requirements of Sections 120 and 121, the patents should be held unenforceable because of what respondents have termed "prosecution laches."

The district court dismissed the laches claim. Pet. App. 29a-30a. In so doing, the court relied upon an earlier decision of the same district court, involving the same inventor. *See Ford Motor Co. v. Lemelson*, 42 U.S.P.Q. 2d 1706 (1997). The court in *Ford Motor* had held that the time limits for

filing continuation and divisional applications were governed by the terms of the Act, saying that while "Lemelson's use of the continuation applications process may have exploited an open area of patent practice, the court should not intervene in equity to regulate what Congress has not." *Id.* at 1707, quoted at Pet. App. 30a. Following that reasoning, the district court below concluded that, regardless of the policy arguments made by respondents, it was "improper to introduce the equitable doctrine of laches into the statutory scheme of continuation practice." Pet. App. 30a.

The Federal Circuit reversed. The court of appeals began by stating that "the sole issue . . . is whether, as a matter of law, the equitable doctrine of laches may be applied to bar enforcement of patent claims that issued after an unreasonable and unexplained delay in prosecution even though the applicant complied with pertinent statutes and rules." Pet. App. 4a. The court then answered that question in the affirmative.

The Federal Circuit rested its conclusion almost entirely on two cases decided by this Court. *See Woodbridge v. United States*, 263 U.S. 50 (1923); *Webster Electric Co. v. Splitdorf Electrical Co.*, 264 U.S. 463 (1924). According to the court of appeals, those cases established a broad "defense of prosecution laches," Pet. App. 5a, which imposed extra-statutory limitations on claims made in continuation and divisional applications. The "prosecution laches" doctrine thus provided "a defense to an infringement action involving new claims issuing from divisional and continuing applications that prejudice intervening adverse public rights." Pet. App. 6a, citing *Crown Cork & Seal Co. v. Ferdinand Gutmann Co.*, 304 U.S. 159 (1938); *General Talking Pictures Corp. v. Western Electric Co.*, 304 U.S. 175 (1938). In recognizing this doctrine, the Federal Circuit rejected the view, taken by a leading commentator on patent law, that the only laches doctrine established in *Webster* was a doctrine—

now incorporated in Section 135(b)—limiting the time to make claims copied from or substantially the same as claims in a patent issued to another inventor. Pet. App. 7a; *see* 4 *Chisum on Patents* §11.05[1][b] at 11-264 (1996).

The court of appeals then turned to the Patent Act itself. Quoting portions of Sections 120 and 121—but omitting the language of Section 120 setting the time for filing applications at "before the patenting or abandonment of or termination of proceedings on" a prior application (35 U.S.C. § 120)—the court observed that "[t]hese sections provide the backbone for the modern continuation and division practice." Pet. App. 8a. The court found, however, that "the legislative history and commentary from the authors of the 1952 Act suggest no . . . intent" to "abrogate[] the defense of prosecution laches" derived from *Woodbridge* and *Webster*. Pet. App. 8a. Relying in particular on a reference to "laches" in commentary on Section 282 of the Act—which provides for various defenses in infringement actions—the court stated: "To the contrary, a careful reading of the history and commentary on the 1952 Act shows an intent to maintain the defense." Pet. App. 9a.

Finally, the court refused to follow two unpublished Federal Circuit opinions, both of which had flatly rejected the doctrine of prosecution laches. *See Ricoh Co. v. Nashua Corp.*, 1999 WL 88969 (Fed. Cir. Feb. 18, 1999); *Bott v. Four Star Corp.*, 1988 WL 54107 (Fed. Cir. May 26, 1988). Although it noted a holding by the Eighth Circuit that Article III required federal courts to treat all opinions, even unpublished ones, as precedential, *see Anastasoff v. United States*, 223 F.3d 898, *vacated as moot*, 235 F.3d at 1054 (8th Cir. 2000) (en banc), it found more persuasive the contrary view taken by the Ninth Circuit. *See* Pet. App. 10a, citing *Hart v. Massanari*, 266 F.3d 1155 (9th Cir. 2001). The court of appeals stated that "ideally once a principle has been established, it is up to the courts thereafter to apply it in cases

coming before them and at most to explain their decisions to the parties, not to add to the explosion of legal opinions." Pet. App. 13a.

Judge Newman dissented. Criticizing the decision to "creat[e] a new equitable cause of action called 'prosecution laches,'" Pet. App. 14a, Judge Newman noted that "[t]he long-standing rule, until today, is that when the statutory requirements for continuing applications are met, patents are not subject to attack on non-statutory grounds." Pet. App. 14a. Then, with respect to the opinions of this Court relied on by the majority, she noted that neither *Woodbridge* nor *Webster* had established what the majority said that they did: *Woodbridge* involved a patent applicant who had violated express statutory requirements and thus "lost his statutory right to the patent," Pet. App. 15a, and *Webster* involved delay in presenting "claims covering subject matter in an adverse patent." Pet. App. 15a.

Judge Newman further pointed out that Congress, in enacting the requirements for continuation applications, had "chose[n] not to place time limits on their use, beyond those placed by the statute." Pet. App. 15a. Observing that "[t]he issue now before us has been considered in various legislative proposals and rejected," Pet. App. 19a, she said that "[i]t is inappropriate for this court, under the guise of equity, to change the law and adopt the position that was rejected by the Congress." Pet. App. 19a. She concluded: "We should lay to rest this new source of uncertainty and variability in continuation practices, lest we insert a taint into every patent that has invoked these statutory procedures." Pet. App. 19a.

The Federal Circuit denied a petition for rehearing *en banc* by a vote of 4 to 3, with 5 judges not participating.

REASONS FOR GRANTING THE WRIT

This case involves an issue of exceptional importance in federal patent law: whether the federal courts may adopt a

doctrine of "prosecution laches" to limit the rights of patent holders who obtained their patents by filing continuation or divisional applications. For five decades Section 120 of the federal Patent Act has provided that patent applicants, having fully described and disclosed an invention in a patent application, may later claim that invention with the benefit of the earlier filing date, so long as the claim is made before a patent issued (or certain other action was taken) on the prior application. *See* 35 U.S.C. § 120. This statutory right reflects a long-standing judicial doctrine, recognized by this Court, that simultaneously pending patent applications—relying on a common disclosure—are treated not as separate requests for patent issuance but rather as part of one continuous application that bears the date of the original. *See Godfrey v. Eames*, 68 U.S. (1 Wall.) 317 (1864). In this case, however, the Federal Circuit set this established principle aside, holding that a patent applicant meeting all the requirements of Section 120 may nonetheless be told that his patent is unenforceable. Purporting to rely on two cases decided by this Court in the 1920's, *Woodbridge v. United States*, 263 U.S. 50 (1923); and *Webster Electric Co. v. Splitdorf Electrical Co.*, 264 U.S. 463 (1924), the Court announced that it would henceforth apply a doctrine of "prosecution laches" to invalidate patents not sought within an undefined "reasonable" time. Pet. App. 5a-10a.

This extraordinary decision warrants review for several reasons. To begin with, as Judge Newman pointed out in dissent below, the suddenly discovered doctrine of "prosecution laches" introduces a "new source of uncertainty and variability in continuation practice" that potentially "insert[s] a taint into every patent that has invoked these statutory procedures." Pet. App. 19a. Most obviously, this retroactive filing requirement disrupts the legitimate expectations of patent applicants who have relied on the terms of the governing statutory provisions, as well as on numerous judicial decisions declaring those terms to be

controlling. By abruptly repudiating "the long-standing rule," Pet. App. 14a (Newman, J., dissenting), the Federal Circuit showed little of the caution needed "before adopting changes that disrupt the settled expectations of the inventing community." *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd.*, 122 S. Ct. 1831, 1841 (2002). Furthermore, the decision below will necessarily involve patent litigants in a wholly new, and likely ubiquitous, series of collateral disputes, all turning on drawn-out arguments about whether actions before the Patent and Trademark Office were taken within a reasonable time and on who must bear the blame for each period of delay.

The decision below is also wrong, both in approach and in result. Before deciding to shorten a time requirement expressly set forth in a federal statute, a federal court, at a minimum, should assure that Congress did not intend for applicants to be able to utilize the full time period. *See Overland Motor Co. v. Packard Motor Car Co.*, 274 U.S. 417, 424 (1927). Here, however, the Federal Circuit paid little attention to the express terms of the Act, instead choosing to fashion its doctrine of "prosecution laches" almost entirely out of two little-known decisions of this Court, neither of which comes close to establishing a general timeliness requirement for all patent applicants. Moreover, the court of appeals totally ignored the fact that Congress, in balancing various competing interests in the Patent Act, has consistently resisted efforts to set additional restrictions on continuation and divisional applications.[4] This one-sided analysis is especially startling in light of the fact that the Federal Circuit, and its predecessor court as well, have

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[4] As we discuss, *see* pages 21-22 *infra*, Congress did make significant changes to the Act in 1994—most notably, dating patent rights from the time of original application—but it did not impose retroactive limitations that would deny rights to patent holders and applicants who had relied on the preexisting system.

repeatedly told patent applicants that they need only meet the requirements of Section 120 in order to obtain the benefits of a single continuous application. *See, e.g., Transco Products, Inc. v. Performance Contracting, Inc.*, 38 F.3d 551 (Fed. Cir. 1994); *Racing Strollers, Inc. v. TRI Industries, Inc.*, 878 F.2d 1418 (Fed. Cir. 1989) (en banc); *In re Hogan*, 559 F.2d 595 (CCPA 1977); *Bott v. Four Star Corp.*, 1988 WL 54107 (Fed. Cir. 1988) (unpublished); *Ricoh Co. v. Nashua Corp.*, 1999 WL 88969 (Fed. Cir. 1999) (unpublished). The doctrine thus represents the starkest kind of judicial lawmaking.

The process by which the Federal Circuit reached its decision—refusing to consider its own directly applicable unpublished decisions as precedent—also warrants review. The federal courts of appeals have disagreed over the constitutionality of disregarding unpublished opinions, *compare Anastasoff v. United States*, 223 F.3d 898, *vacated as moot*, 235 F.3d 1054 (8th Cir. 2000) (en banc), *with Hart v. Massanari*, 266 F.3d 1155 (9th Cir. 2001), and the question is of widespread significance: more than four-fifths of all opinions issued by federal courts of appeals are unpublished. While there is no active conflict among the circuits, the reasoning of the Eighth Circuit opinion in *Anastasoff*, taken on its own merits, makes a strong case for the proposition that the practice of disregarding prior decisions is incompatible with the principle "that litigants in similar situations should be treated the same, a fundamental component of *stare decisis* and the rule of law generally." *James B. Beam Distilling Co. v. Georgia*, 501 U.S. 529, 537 (1991) (opinion of Souter, J.); *see id.* at 547 (Blackmun, J., concurring in the judgment); *see also Harper v. Virginia Dept. of Taxation*, 509 U.S. 86 (1993). The Court should resolve this important question as well.

I. THE FEDERAL CIRCUIT IMPROPERLY CIRCUMSCRIBED THE TIME PERIOD ALLOWED BY THE PATENT ACT FOR FILING CONTINUATION AND DIVISIONAL APPLICATIONS

A. We begin, as the Federal Circuit did not, with the governing statute. *See Barnhart v. Sigmon Coal Co., Inc.*, 122 S. Ct. 941, 950 (2002) ("As in all statutory construction cases, we begin with the language of the statute"). Sections 120 and 121, both part of the Patent Act since 1952, set forth the conditions under which continuation and divisional applications are treated just as though they had been filed at the time of an earlier parent application.[5] In basic terms—leaving out, for a moment, the language addressing the *time* at which the later applications must be filed—Section 120 provides that "[a]n application for patent for an invention disclosed in the manner provided by the first paragraph of section 112 of this title in an application previously filed in the United States . . . [by the same inventor] *shall have the same effect*, as to such invention, as though filed on the date of the prior application . . . ." 35 U.S.C. § 120 (emphasis added). Section 121, in turn, states that "a divisional application which complies with the requirements of section 120 of this title . . . *shall be entitled* to the benefit of the filing date of the original application." 35 U.S.C. § 121 (emphasis added). This fundamental requirement, that any newly claimed invention have been disclosed in a prior application,

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[5] The effective filing date granted to an application, and to the claims that it contains, can have important consequences in the patenting process. For example, the effective filing date may be determinative on the issue whether the patent applicant has satisfied the terms of Section 102(b) of the Act, 35 U.S.C. § 102(b), which bars issuance of a patent when "the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States." *Id.*

assures that the inventor is staying within the scope of the earlier application, making claims only with respect to inventions that he has previously described. *See generally* 4 *Chisum on Patents* § 13.04 at 13-21-13-24 (1991).

Section 120 does more, however, than simply require proper grounding of the claims in a parent application: it expressly addresses *when* a continuation or divisional application must be filed in order to "have the same effect . . . as though filed on the date of the prior application . . . ." 35 U.S.C. § 120; *see also* 35 U.S.C. § 121 ("shall be entitled to the benefit of the filing date of the original application"). In clear language that the Federal Circuit did not even mention—indeed, language that it deleted from its quotation of the statute, *see* Pet. App. 8a—Section 120 specifies that the application must be "filed *before the patenting or abandonment of or termination of proceedings on* the first application or on an application similarly entitled to the benefit of the filing date of the first application . . . ." 35 U.S.C. § 120 (emphasis added). This statutorily defined time limit, known generally as the co-pendency requirement, embodies the core principle supporting continuation and divisional applications: that, when they overlap in time with an earlier application (and meet the necessary disclosure obligation), they are regarded as part of a single continuous application, not as separate applications. As this Court stated long before the enactment of Section 120, "the two petitions are to be considered as parts of the same transaction, and both as constituting one continuous application, within the meaning of the law." *Godfrey v. Eames*, 68 U.S. (1 Wall.) 317, 326 (1864).[6]

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[6] By contrast, if a patent applicant seeks to add claims *after* a patent has been issued on the parent application, the continuity of application has been broken, and he must seek a reissued patent under a much stricter provision. *See* 35 U.S.C. §§ 251-52; page 5 *supra*.

There is no doubt that Mr. Lemelson met the statutory deadline. The Federal Circuit did not find, and respondents do not even allege, that Lemelson failed to file his applications "before the patenting or abandonment of or termination of proceedings on" an earlier application. The patents issued on those applications should thus be fully enforceable under the terms of Section 120 unless the federal courts have a license to modify those terms. But this Court has previously struck down judicial efforts to circumscribe time limits in the Patent Act, stating: "A party seeking a right under the patent statutes may avail himself of all their provisions, and the courts may not deny him the benefit of a single one. These are questions, not of natural, but of purely statutory, right." *United States v. American Bell Telephone Co.*, 167 U.S. 224, 247 (1897). Even more particularly, the Court has disapproved of efforts to shorten time periods in the Act by invoking equitable concepts like laches: "The answer to this argument [*i.e.* that applicants can obtain unfair advantages by utilizing the full statutory period] is that the matter is entirely within the control of Congress . . . . We do not know on what principle we could apply the equitable doctrine of abandonment by laches in a case *where the measure of reasonable promptness is fixed by statute* . . . ." *Overland Motor Co.*, 274 U.S. at 423-24 (emphasis added).

Those principles are, in fact, critical to a proper functioning of the patent system. Inventors seeking patents for their inventions must be able to rely on the time periods permitted by the Act itself, without concern that federal courts will later impose retroactive limits to curtail valuable patent rights. *See Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd.*, 122 S. Ct. at 1841 ("[f]undamental alterations in [settled] rules risk destroying the legitimate expectations of inventors in their property"). Thus, when a statutory provision itself sets "the measure of reasonable promptness" for filing patent applications, a federal court should not truncate the specified time period without, at the very least, a clear indication that

Congress did not intend to allow inventors to utilize the full period. As we discuss next, that evidence is utterly lacking here.

B. The decision of the Federal Circuit rests almost completely on two decisions of this Court handed down in the 1920s. *See Woodbridge v. United States, supra; Webster Electric Co. v. Splitdorf Electrical Co., supra.* According to the court below, those cases announced and applied a doctrine of "prosecution laches," which Congress implicitly incorporated into the statute in 1952. *See* Pet. App. 5a-10a. Neither part of this theory is correct. The only laches doctrine properly derived from the cited cases is a much narrower doctrine limiting the time for making claims similar to those in an issued patent, and Congress enacted that doctrine—and only that doctrine—into the statute well before 1952. *See* page 18 and note 9 *infra.* Furthermore, the legislative record shows that Congress repeatedly rejected efforts to limit patent rights obtained by means of continuation and divisional applications, instead treating those applications as entitled to all the benefits of a single continuous filing.

1. The decision in *Woodbridge*, which this Court itself has called an "exceptional" case, *Overland Motor Co.*, 274 U.S. at 426, does little to support a broad equitable doctrine of "prosecution laches." Even leaving aside that the case arose out of a unique statute passed by Congress to resolve a single long-standing patent dispute—a statute that, by its terms, called for a judicial inquiry into the possibility of "laches" by the inventor (263 U.S. at 51)—the result in *Woodbridge*, in the end, turned on nothing more than the violation of an express statutory time limit. Thus, while the Court engaged in a wide-ranging discussion of abandonment, forfeiture, laches, and other doctrines, it ultimately declared that the applicant was not entitled to a patent for the simple reason that his "plan of nonaction was not in accord with the rules of

procedure in the Patent Office, *but was in plain violation of the statutory law*." 263 U.S. at 63 (emphasis added). This conclusion was as unsurprising as it was ordinary: the applicant had delayed issuance of the patent by the Patent Office for nine years when a statute allowed him to do so for only one year. *See* 263 U.S. at 58. *Woodbridge* is thus, at bottom, a decision about the need to observe statutory time limits, not a decision about the right of the judiciary to manufacture extra-statutory requirements.

The decision in *Webster* likewise neither declared, nor applied, a broad doctrine of "prosecution laches." Although an early section in *Webster* described the lengthy history of prosecution by the patentee, and concluded that it demonstrated "laches" on his part, the Court conspicuously did not say what particular part of the prosecution was impermissably long. *See* 264 U.S. at 465-66. The answer to that question was supplied by the *next* section, *see* 264 U.S. at 466-69, one totally disregarded by the Federal Circuit below. There, this Court first drew, and then found dispositive, a basic analogy between two kinds of delay: first, delay in making applications for reissued patents and, second, delay in making claims copied from (or substantially similar to) a patent issued to another inventor. Then, based on the fact that it had previously recognized a doctrine of laches with respect to filing enlarged claims in reissued patents, the Court applied the same presumptive two-year period to the filing of continuation and divisional applications that, like the ones under attack in *Webster*, made claims similar to those in a previously issued patent. *See* 264 U.S. at 469; *see also Chapman v. Wintroath*, 252 U.S. 126 (1920). The Court observed: "While the analogy between the case of a reissue patent and *that of copying for interference* is not always an exact one, it is sufficiently so, *as applied to the present case*, to make those decisions pertinent, and *the principle which they announce is controlling*." 264 U.S. at 469 (emphasis added); *see generally* note 3 *supra* (defining an interference).

Later decisions (including decisions cited approvingly by this Court) and leading patent authorities have generally recognized that the decision in *Webster* is limited to that particular context. *See, e.g., 4 Chisum on Patents*, § 11:05[1][b] at 11-264 (1996); *Wirebounds Patents Co. v. Saranac Automatic Machine Corp.*, 65 F.2d 904, 905-06 (6th Cir. 1933), cited in *Crown Cork & Seal Co. v. Ferdinand Gutmann Co.*, 304 U.S. 159, 168 (1938); *Wagenhorst v. Hydraulic Steel Co.*, 27 F.2d 27, 28-29 (6th Cir. 1928), cited in *Crown Cork & Seal Co.*, 304 U.S. at 167. *But see Pratt & Whitney Co. v. United States*, 345 F.2d 838, 843-44 (Ct. Cl. 1965) (adopting Commissioner's report).

The cases relied on by the Federal Circuit thus provide no footing for an open-ended doctrine of "prosecution laches." Nor has any such doctrine emerged from subsequent cases. The decisions in *Crown Cork & Seal* and *General Talking Pictures Corp. v. Western Electric Co.*, 304 U.S. 175 (1938), *rejected* laches defenses, leaving Justice Black, dissenting in *Crown Cork & Seal*, to complain that the Court had done away with the defense entirely. *See* 304 U.S. at 173-74 (Black, J., dissenting).[7] And, while some patent experts thought that the decision in *Muncie Gear Works, Inc. v. Outboard Machine & Mfg. Co.*, 315 U.S. 759 (1942), had established a laches doctrine known as "late claiming"—invalidating claims filed more than two years after adverse public use, even if the subject matter had been fully disclosed in an earlier application—that doctrine, too, has fallen by the wayside. It has long been accepted, by the Federal Circuit in particular, that *Muncie Gear Works* does not stand for any

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[7] As noted in the previous paragraph, *Crown Cork* also cited with approval several lower-court cases reading *Webster* as requiring promptness *in copying claims from another patent.* Although language in both *Crown Cork* and *General Talking Pictures* left open the possibility that the Court might ultimately apply a broader doctrine of late claiming, that doctrine, as we discuss in the text, never actually materialized.

limit on the *claims* presented in continuation and divisional applications, but rather prohibits only the introduction of "new matter" into the disclosure of such applications. *See Railroad Dynamics, Inc. v. A. Stucki Co.*, 727 F.2d 1506, 1517 (Fed. Cir. 1984) (rejecting argument based on "the inappropriate and long ago discredited 'late claiming' label"); *Westphal v. Fawzi*, 666 F.2d 575 (CCPA 1981). *See also* 3 I. Kayton, *Patent Practice* 8.20-21 (6th ed., Rel. No. 3, 1998). Taken as a whole, therefore, the historical record—as of 1952 and up to the present time—shows that, insofar as continuation and divisional applications are concerned, this Court has invalidated a patent on the basis of laches in only one case, and it was a case (*Webster*) in which the crucial delay at issue was a delay in making claims that were substantially the same as claims in a previously issued patent. The penalty for that delay has long since been addressed, in explicit terms, in another provision of the Act. *See* Act of August 5, 1939, ch. 452, § 1, 53 Stat. 1213, now codified at 35 U.S.C. § 135(b).[8]

2. It is just incorrect, therefore, to say that this Court long ago created a broad doctrine of "prosecution laches" to limit the filing of continuation and divisional applications. And, in any event, there is certainly no reason to think that Congress meant to incorporate that kind of doctrine into the Act,

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[8] Although the court of appeals stated that "the contemporary learned treatises confirmed the existence of the prosecution laches defense," Pet App. 7a, that statement is flatly contradicted by the cited authorities. According to A. Deller, *Walker on Patents*, the first of the cited treatises, the holding in *Webster* was "that a delay of five years *after the granting of a patent to a rival claimant* is fatal to the claims . . . ." *Id.* § 183 at 869 (1937) (emphasis added). The treatise went on to note that "[t]he doctrine of laches *in copying claims* has been applied by the Patent Office and the Courts in many cases." *Id.* (emphasis added). The other cited authority likewise described *Webster* as "holding a delay of five years *after the date of an adverse patent* to be unreasonable." B. Stedman, *Patents*, § 111 at 255 (1939) (emphasis added).

without bothering to mention it, either in Section 120 itself or in any other provision (for example, Section 282). As the history of the Act shows, Congress is fully capable of adopting—in the plainest of terms, not *sub silentio*—particular judicially developed laches doctrines that it regards as necessary or appropriate to the balance of interests struck in the Act. Most notably, Congress expressly enacted the "laches" period applicable to seeking reissued patents (35 U.S.C. § 251) and the "laches" period applicable to copying claims from a patent (35 U.S.C. § 135(b)), both sides of the "controlling" laches analogy in *Webster*.[9] By comparison, nothing on the face of Section 120 suggests any intention to qualify the co-pendency filing requirement with some unexpressed notion of "reasonable" promptness.

The effort to read "prosecution laches" into Section 282, 35 U.S.C. § 282, is equally unpersuasive. Although that provision does allow for a defense of "laches," it is laches of a very different sort: delay in *filing suit* after knowledge of a possible infringement. *See A.C. Aukerman Co. v. R.L. Chaides Constr. Co.*, 960 F.2d 1020 (Fed. Cir. 1992). The reference to "laches" in commentary on the 1952 Act, *see* Pet. App. 9a, is most naturally read to refer to this traditional defense, not to the (nonexistent) defense of "prosecution laches." Furthermore, a laches doctrine applied to the filing of infringement suits does not contravene other sections of the Act. However useful a laches doctrine may be in filling statutory gaps, it distorts the Act as a whole to use the highly general terms of one section (Section 282) to cut short a filing period specifically permitted in another section (Section 120).

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[9] These two laches doctrines were developed by this Court, of course, at a time when no statutory provision had anything to say about the timing of applications for reissued patents or of continuation applications reading on the claims of another patent. As we have noted, the "laches" period for copying claims was included (and shortened) in 1939. The "laches" period for reissued patents was included in the statute for the first time in 1952.

If that were permissible, it would lead to the implausible conclusion that the Federal Circuit could also abbreviate the filing periods allowed in Section 135(b) for copying claims, or in Section 251 for seeking reissued patents, simply by fashioning a new non-statutory requirement of additional promptness. "[T]he words of a statute must be read in their context and with a view to their place in the overall statutory scheme." *Davis v. Michigan Dept. of Treasury*, 489 U.S. 803, 809 (1989).

The court of appeals also took no account of the most illuminating part of the legislative record: the fact that Congress, at the very time that it enacted Sections 120 and 121, strongly resisted efforts to curb the rights of patent applicants filing continuation and divisional applications. Tellingly, the supporters of patent reform had argued for many years that new limitations were needed because existing law placed no limits on delay. *See, e.g., Court of Patent Appeals and Limiting Patents to 20 Years*, Hearings on S. 2687 and S. 2688 before the Senate Comm. on Patents, 76th Cong., 1st Sess. 44-52, 59, 62 (1939) (statement of Commissioner Coe); *Recording Patent Agreements and Limiting Patents to 20 Years*, Hearings on H.R. 2630, 2631, and 2632 Before the House Comm. on Patents, 79th Cong., 1st Sess. 22-24 (1945) (statement of Richard J. Dearborn); *id.* at 27-28 (statement of John C. Stedman); *id.* at 39-40 (statement of Commissioner Coe); *id.* at 41-44 (statement of Assistant Commissioner Henry). Although these reformers sought to make the terms of patents issued on divisional or continuation applications coterminous with the terms of any patents issued on the original application, House Comm. on the Judiciary, *Proposed Revision and Amendment of the Patent Laws, Preliminary Draft with Notes*, § 35, at 21 (Comm. Print 1950), Congress refused to limit patent rights in that fashion, and further rejected an alternative proposal to date all patent rights from the filing of the original application. *Id.* § 57, at 43. Instead, Congress chose to make

clear its intention that simultaneously pending applications, so long as they claimed inventions disclosed in a previous application, were to be treated as part of, and thereby entitled to the priority of, the earlier application. *See* 35 U.S.C. §§ 120-21.[10] Moreover, Congress did *not* make those applications subject to intervening adverse rights, as it did for applications seeking to obtain reissued patents. *See* 35 U.S.C. §§ 251-52.

Finally, it is significant that Congress, when it finally did come to decide that patent rights should be measured from the date of original application, chose to act on a prospective basis only. Prior to 1994, various patent experts once again lamented the use of continuation and divisional applications to extend patent rights, and then as before, the gist of many of those arguments was that such actions were (but should not be) *legal* under the existing system. *See, e.g., Patents Legislation*, Hearings on H.R. 359, H.R. 632, H.R. 1732 and H.R. 1733 Before the Subcomm. on Courts and Intellectual Property, 104th Cong., 1st Sess. 134 (1995) (statement of Chairman Moorhead) ("filing successive continuing applications . . . [is] a legal means of intentional delay"); *see also id.* at 45-46 (testimony of Commissioner Lehman) (criticizing "submarine patents"); *id.* at 169-70 (statement of Professor Mark A. Lemley). This time Congress agreed that change was needed, but it made the changes for the future only: having itself set the preexisting statutory requirements, Congress refrained from taking any action to deny patent rights to inventors who had observed them. Against this background, the decision by the Federal Circuit to limit those

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[10] Since that treatment of co-pending applications had long been recognized by this Court, *see Godfrey v. Eames*, *supra*, the language of Sections 120 and 121 did, in fact, represent preexisting law not previously incorporated into the Act. *See* Pet. App. 8a. What it did not do, however, was to enact a freestanding laches doctrine that was neither part of the recognized law at the time nor in any way expressed in the Act.

rights retroactively, on the strength of a supposedly reborn doctrine of "prosecution laches," is an inexcusable intrusion into legislative terrain.

3. The decision below also contradicts decades of consistent holdings by the Federal Circuit, and by the Court of Customs and Patent Appeals before it, that applicants need only comply with the express requirements of Section 120 in order to obtain the benefits that it extends. *See Transco Products, Inc. v. Performance Contracting, Inc.*, 38 F.3d 551, 556 (Fed. Cir. 1994); *Racing Strollers, Inc. v. TRI Industries, Inc.*, 878 F.2d 1418, 1421 (Fed. Cir. 1989) (en banc); *Studiengesellschaft Kohle mbH v. Northern Petrochemical Co.*, 784 F.2d 351 (Fed. Cir. 1986); *In re Bauman*, 683 F.2d 405, 407 (CCPA 1982); *In re Hogan*, 559 F.2d 595 (CCPA 1977); *In re Henriksen*, 399 F.2d 253 (CCPA 1968). The court in *In re Hogan*, for example, emphasized that Section 120 afforded patent applicants important statutory rights, *see* 559 F.2d at 603, and then approvingly quoted the admonition from this Court that "[a] party seeking a right under the patent statutes may avail himself of all their provisions, and the courts may not deny him the benefit of a single one." *Id.*, quoting *American Bell Telephone Co.*, 167 U.S. at 247. Twelve years later, the Federal Circuit took the same position, stating: "In our view, § 120 gives to any applicant for a patent *complying with its terms* the right to have the benefit of the filing date of an earlier application." *Racing Strollers*, 878 F.2d at 1421. Then, in *Transco Products*, 38 F.3d at 556, the court of appeals reiterated that "[t]he plain and unambiguous meaning of section 120 is that any application fulfilling the requirements therein 'shall have the same effect' as if filed on the date of the application upon which it claims priority." *Id.*

The Federal Circuit, in fact, twice specifically rejected arguments that it should engraft an equitable doctrine of laches onto the statutory requirements of Section 120,

evidently regarding the issue as so settled that it did not even designate the opinions for publication. *See Bott v. Four Star Corp., supra; Ricoh Co. v. Nashua Corp., supra. See also* Fed. Cir. R. 47.6(b) (providing for nonpublication of opinions "not adding significantly to the body of law"). In *Bott*, dismissing attempts to rely on *Webster* for a broad laches doctrine, the court of appeals found no reason to "adopt equitable safeguards to limit continuation applications when the Congress gave no indication that it intended to do so." *Id.* at **1. Similarly, in *Ricoh*, handed down just three years ago, the Federal Circuit again declined to "judicially adopt equitable safeguards, in contravention of established precedent, when Congress itself has declined to do so." *Id.* at **3. The court of appeals expressly agreed with its predecessor court that "'a limit upon continuing applications . . . is a matter of policy for Congress, not for us.'" *Ricoh*, at **3, quoting *In re Hogan*, 559 F.2d at 604 n. 13.

C. "Courts of equity cannot, in their discretion, reject the balance that Congress has struck in a statute." *United States v. Oakland Cannabis Buyers' Cooperative*, 532 U.S. 483, 497 (2001). Yet, that is precisely what the Federal Circuit has done here. Apparently responding to the same complaints made to Congress, the court of appeals simply acted on its own initiative to curtail patent rights granted by the Act. We have discussed the reasons why this is an improper exercise of judicial authority. But, even viewed purely as a matter of policy, this decision is an unwarranted revision of the patent system.

Most notably, of course, the Federal Circuit has played havoc with the expectations of inventors who relied on the express statutory entitlements. As this Court has just observed, "courts must be cautious before adopting changes that disrupt the settled expectations of the inventing community." *Festo Corp. v. Shoketsu Kinzoku Koygo Kabushiti, Ltd.*, 122 S. Ct. at 1841. But the court of appeals below has

now declared that—regardless of the statutory terms and its own prior rulings indicating that the issue was settled—all patents and patent applications are subject to invalidation whenever applicants have failed to make their claims within an unknown acceptable time. *See* Koffs, *The Legal Intelligencer*, Feb. 7, 2002 ("The Court of Appeals for the Federal Circuit has altered the face of patent litigation by holding that an equitable defense of prosecution laches may be applied to bar enforcement of an otherwise valid U.S. patent"). To make matters worse, the inevitably imprecise nature of this doctrine exposes patentees to the vagaries of a "thumbs up/thumbs down" judicial judgment. This potential for selective litigant-based enforcement, in a matter involving important property interests, necessarily undermines confidence in the fairness of the patent system: "in the long run, experience teaches that strict adherence to the procedural requirements specified by the legislature is the best guarantee of evenhanded administration of the law." *Mohasco Corp. v. Silver*, 447 U.S. 807, 826 (1980).

We also note that the Federal Circuit, as is often the case when judges retilt a statutory balance, has given too little weight to one of the competing interests. While it is understandable that chains of patent applications, however lawful, will draw criticism, the fact remains that the applications can result in multiple patents only for an inventor of considerable foresight. After all, for an inventor to gain the benefit of an earlier filing date, the Act requires the inventor to demonstrate that he fully described any newly claimed invention in a prior application. *See* 35 U.S.C. § 120; *see also* 35 U.S.C. § 112, ¶ 1. If an inventor meets that demanding standard—one that has been toughened by the Federal Circuit over the years, *see, e.g., Vas-Cath, Inc. v. Mahurkar*, 935 F.2d 1555 (Fed. Cir. 1991)—it is hardly a miscarriage of justice to grant him a patent for what he, in

fact, invented.[11] As for the other side of the equation: given that the filing of continuation and divisional applications has become a common practice over the years, it would be shortsighted for potential infringers, like respondents, to assume that their products have not been disclosed in still-pending (and thus still-secret) patent applications. The possibility of a pending prior application is simply an unavoidable risk for those who cannot show themselves to be the true inventor.

Last but not least, the decision below will incite a vast amount of burdensome collateral litigation. If history is any guide, charges of undue delay will henceforth become a standard feature of patent disputes, with infringers demanding discovery into the reasons for each and every period of inaction before the Patent Office. This sideshow will necessarily result in protracted arguments about who bears responsibility for each passage of time, beginning with accusations by the infringer against the patent holder and leading, in turn, to accusations by the patent holder against the Patent Office. None of this turmoil is what Congress intended, and this Court should grant review to consider this serious reordering of the federal patent system.

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[11] The Federal Circuit has noted that, under the Act, it is not "in any manner improper to amend or insert claims intended to cover a competitor's product the applicant's attorney has learned about during the prosecution of a patent application." *Kingsdown Medical Consultants, Ltd. v. Hollister, Inc.*, 863 F.2d 867, 874 (Fed. Cir. 1988). *See also Multiform Desiccants, Inc. v. Medzam, Ltd.*, 133 F.3d 1473, 1482 (Fed. Cir. 1998) (same).

II. BY DECLINING TO CONSIDER ITS PRIOR UNPUBLISHED DECISIONS, THE FEDERAL CIRCUIT VIOLATED THE FUNDAMENTAL PRINCIPLE THAT SIMILARLY SITUATED LITIGANTS ARE TO BE TREATED THE SAME

The refusal of the Federal Circuit to honor its own decisions as precedent likewise merits further review. In recent years, this Court, addressing whether judicial decisions must apply retroactively, has emphasized that federal courts are not free to apply different rules of law to similarly situated litigants simply because that practice might better serve collateral interests. *See Harper v. Virginia Dept. of Taxation*, 509 U.S. 86 (1993); *James B. Beam Distilling Co. v. Georgia*, 501 U.S. 529, 537 (1991) (opinion of Souter, J.); *id.* at 547 (Blackmun, J., concurring in the judgment). In *Harper*, the Court placed significant weight on the "admonition that '[t]he Court has no more constitutional authority in civil cases than in criminal cases to disregard current law or to treat similarly situated litigants differently.'" *Id.* at 97, quoting *American Trucking Ass'ns, Inc. v. Smith*, 496 U.S. 167, 214 (1990) (Stevens, J., dissenting). Several years before, the lead opinion in *Beam* had similarly relied on the principle "that litigants in similar situations should be treated the same, a fundamental component of *stare decisis* and the rule of law generally." 501 U.S. at 537 (opinion of Souter, J.); *see id.* at 540 (referring to the "equality principle, that similarly situated litigants should be treated the same"). In the same case, Justice Blackmun, speaking for three Justices, took the view that a decision not to apply a decision retroactively "violates the principle of treating similarly situated defendants the same." *Id.* at 547. *See also BMW of North America, Inc. v. Gore*, 517 U.S. 559, 587 (1996) (Breyer, J., concurring) ("[r]equiring the application of law . . . helps to assure the uniform general treatment of similarly situated persons that is the essence of law itself).

The decision of a federal appeals court to disregard prior unpublished opinions as precedent offends that fundamental principle. In ruling that the patents held by petitioner could be deemed unenforceable under a doctrine of prosecution laches, the Federal Circuit did not even attempt to distinguish its two prior cases holding that no such doctrine exists. *See Ricoh Co. v. Nashua Corp.; Bott v. Four Star Corp.*. Rather, it simply chose to announce a different rule, thereby denying petitioner the benefit of established law that would have been dispositive in its favor. As explanation, the court of appeals argued that "[c]ourts contribute to the growing imprecision, uncertainty and unpredictability of the law by issuing repetitive opinions on subjects that have been thoroughly irrigated." Pet. App. 13a. But this reasoning gets matters backwards: if a prior decision has done nothing more than repeat and apply settled law, that is all the more reason for the same court of appeals to apply it again in a subsequent case, rather than set off in a wholly different direction at the expense of similarly situated litigants then before it.

The legitimacy of disregarding unpublished opinions has caused considerable debate in the federal courts of appeals. Most notably, the Eighth Circuit has held (in a decision later vacated on grounds of mootness) that the practice of treating unpublished opinions as nonprecedential is unconstitutional, finding it inconsistent with the appropriate exercise of judicial power under Article III. *See Anastasoff v. United States, supra.* In addition, three judges of the Fifth Circuit have urged that Circuit to consider the legitimacy of unpublished opinions, saying that the "holding [of the Eighth Circuit] on the constitutional question is at least arguable." *Williams v. Dallas Area Rapid Transit*, 256 F.3d 260, 262 (5th Cir. 2001) (Smith, J., dissenting from denial of rehearing en banc). For its part, the Ninth Circuit has weighed in strongly on the other side, *see Hart v. Massanari, supra*, holding that Article III does not require a federal court of appeals to follow its own

decisions. *See id.* at 1180. The Federal Circuit has now aligned itself with the views of the Ninth Circuit. Pet. App. 10a.[12]

The question is one that needs to be resolved.[13] Recent studies indicate that more than four of every five opinions issued by federal courts of appeals are unpublished. *See* Administrative Office of the U.S. Courts, *Judicial Business of the United States Courts: 2001 Annual Report of the Director*, Supp. Tbl. 5-3. As critics of the practice have observed, *see Williams v. Dallas Area Rapid Transit*, 256 F.3d at 262 (Smith, J., dissenting from denial of rehearing en banc), these cases often do not fit the description of "repetitive opinions on subjects that have been thoroughly irrigated." Pet. App. 13a. Although there is no longer an active conflict among the courts of appeals, the reasoning of the Eighth Circuit in *Anastasoff* casts genuine doubt on a practice followed in most cases by most courts of appeals. It is important to know, sooner rather than later, whether that practice comports with constitutional principles.

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[12] The decision in *Anastasoff* has also provoked extensive scholarly discussion. *See, e.g.*, Price, *Precedent and Judicial Power After the Founding*, 42 B.C. Law Rev. 81 (2001); Robel, *The Practice of Precedent: Anastasoff, Noncitation Rules, and the Meaning of Precedent in an Interpretive Community*, 35 Ind. L. Rev. 399 (2002); Katsh & Chachkas, *Constitutionality of "No-Citation Rules,"* 3 The Journal of Appellate Practice and Process 287 (2001).

[13] This Court previously granted review to decide, among several questions, whether the Seventh Circuit could apply its unpublished opinion rule. *See Browder v. Dept. of Corrections of Illinois*, 434 U.S. 257, 258 n.1 (1978). The Court disposed of the case, however, without reaching the question. *Id.*

CONCLUSION

The petition for a writ of certiorari should be granted.

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